

An Overview of Shelby County's 2013 Annual Trending April 16, 2014

The following steps were taken to conduct the 2014 annual trending in Shelby County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Shelby County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate.

Step 2: Calculation of New Land Values**

As required in the General Reassessment, new land values were established in July, 2011 and have been implemented since that time. No other changes have been made to the land order since that time, except in neighborhood where those residential neighborhoods warranted a rate change because of sales data. The new agricultural land rate has also been implemented for 2014.

Step 3: Calculation of New Residential Factors & Residential Studies**

Shelby County implemented the new location cost multipliers from the Department of Local Government Finance. Further, a preliminary ratio study was then conducted for improved residential properties at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Shelby County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required.

Step 4: Updated Commercial & Industrial Improvement Values**

Shelby County implemented the new location cost multipliers from the Department of Local Government Finance.

****Please note that the period of time from which sales were used for this ratio study was from 1/1/2013 to 2/28/2014. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant residential, vacant commercial property and all industrial property in Shelby County, sufficient usable sales data was not yielded even when attempting to expand the sales window back to 2011. Sufficient 2012 sales for improved commercial class in Shelby County were added and a ratio study was conducted.**